Are You New To Government Finance in a Village?



What You Might Feel (and why it’s normal)

You’re not alone—every new fiscal officer feels some combination of:

- **Overwhelm** — because government finance has its own laws, timelines, and vocabulary.
- **Imposter syndrome** — because you’re suddenly the “expert” even while learning.
- **Pressure** — because you’re responsible for compliance, accuracy, and transparency.
- **Curiosity** — government finance is complex but fascinating once you understand the structure.
- **Pride** — you’re the financial backbone of the entire municipality.

All of these feelings are normal. Government finance is a profession where confidence grows with repetition.

Your Core Role as Fiscal Officer / Finance Director

You are the **chief financial steward** backbone of the municipality. Your work ensures legal compliance, financial stability, and public trust.

Your responsibilities typically include:

- **Financial Management**
- **Budgeting**
- **Reporting**
- **Internal Controls**
- **Public Accountability**





- Managing all revenues and expenditures
- Maintaining the general ledger
- Ensuring compliance with state laws (Ohio Revised Code if you’re in Ohio)
- Overseeing payroll, accounts payable, and accounts receivable
- Managing bank accounts and investments

Budgeting

- Preparing the annual budget
- Monitoring spending vs. appropriations
- Advising the Mayor, Village Administrator (some entities do not have a Village Administrator), and Council on financial impacts





- Monthly financial reports
- Annual financial statements
- State-required filings (e.g., Annual Financial Report)

Internal Controls

- Segregation of duties – depending on the size of your village you may not be able to segregate duties.
- Cash handling procedures
- Audit readiness

Public Accountability

- Transparency
- Ethical stewardship
- Accurate recordkeeping

Who You Report To

- This depends on whether your municipality is **statutory** or **charter**.



Statutory Village (most common in Ohio)

If you are not elected

- The **Fiscal Officer is independent** and reports directly to **Village Council**.
- The Mayor cannot supervise or direct the Fiscal Officer's/Finance Director financial duties.
- Council appoints the Fiscal Officer/Finance Director.
- The Mayor has the authority to remove the Fiscal Officer/Finance Director with or without cause, provided it is done with the consent of a majority of the Council

Charter Village

If you are not elected

- The charter defines the structure.
- You may report to:
  - The Mayor
  - The Village Administrator
  - Council
  - A Finance Committee

How to Communicate With Key Officials

Mayor

- Tone: respectful, factual, concise
- Purpose: keep them informed of financial impacts of decisions

Examples:

- “Mayor, here is the projected cost impact of the new equipment purchase.”
- “We are trending 8% over budget in overtime; we should discuss options.”



Village Administrator

Tone: collaborative, operational

Purpose: align finances with day-to-day operations

Examples:

- “We need updated project timelines to adjust the capital budget.”
- “Please notify me before departments exceed appropriations.”

Village Council

Tone: transparent, professional, data-driven

Purpose: provide financial clarity for policy decisions

Examples:

- Monthly financial reports
- Budget presentations
- Explanations of variances or unexpected expenses



Village Solicitor (your legal Counsel)

Tone: precise, compliance-focused

Purpose: ensure legal compliance

Examples:

- Contract reviews
- Procurement questions
- Ordinance/resolution language



Monthly Tasks You Must Complete Checklist

Financial Processing

- Reconcile all bank accounts
- Process payroll (and all follow up reporting: OPERS, OP&F, etc.)
- Pay all invoices
- Deposit all revenues
- Update the general ledger



Reporting

- Monthly financial report to Council
- Fund balance updates
- Budget-to-actual comparison
- Cash position report

Compliance

- Verify appropriations vs. expenditures
- Ensure purchase orders are properly encumbered
- Review internal controls
- Prepare for audits

Communication

- Meet with Mayor/Administrator
- Attend Council meetings
- Provide updates to department heads



What You Should Ask Immediately



- Are we **charter** or **statutory**
- What accounting system do we use
- Where are the last 3 years of audits
- What is the current budget status
- What funds do we operate (General, Water, Sewer, Street, etc.)
- What are the major upcoming projects
- What is the financial calendar (deadlines)
- Are all bank accounts reconciled to-date?

Understanding Government Funds And Budget

What Are Funds? Separate “buckets” of money with legally defined purposes. You must post receipts and expenses to the fund that matches the legal source or legal purpose.

Types of Funds

- General Fund
- Special Revenue Funds (Street, Police, Fire, MFT) – Restrict usage
- Enterprise Funds (Electric, Water, Sewer)
- Debt Service Funds
- Capital Project Funds
- Grant Funds

How to Create a Municipal Budget

Step 1: Gather Historical Data

- Last 3 years of revenues
- Last 3 years of expenditures
- Current year-to-date spending

Step 2: Meet With Departments

Ask:

- What do you need?
- What are your priorities?
- What projects are planned?

Step 3: Revenue Forecasting

Estimate:

- Income tax
- Property tax
- State shared revenues
- Fees, permits, utilities

Step 4: Build the Expenditure Plan

Include:

- Personnel
- Operations
- Capital projects
- Debt service

Step 5: Balance the Budget

Revenues must meet or exceed appropriations.

Step 6: Present to Council

Provide:

- Summary tables
- Fund-by-fund breakdown
- Explanations of major changes

Step 7: Council Approves by Ordinance

What Fund to Post Receipts

You determine the fund based on **where the money came from**:

- **Property tax** → General Fund, Police Fund, Fire Fund, etc. (based on levy language)
- **Income tax** → Income Tax Fund or General Fund (depends on ordinance)
- **State shared revenues** (LGF, gas tax, MFT) → Specific restricted funds
- **Grants** → A separate grant fund or special revenue fund
- **Utility payments** → Water Fund, Sewer Fund, Stormwater Fund
- **Permits/fees** → General Fund unless legally restricted
- **Rule:** The revenue source dictates the fund.

What Fund to Post Expenses

Expenses must match the **purpose of the fund**:

- Police equipment → Police Fund
- Street repairs → Street Fund
- Water plant chemicals → Water Fund
- General administration → General Fund

- **Rule:** Money must be spent only for the purpose the fund was created for.

If you’re unsure what Fund

Ask yourself:

- “What law, ordinance, or revenue source created this money?”
- That answer tells you the fund.



How Do I Know When I Need Council Approval?

Council approval is required when:

A. Spending money

- Appropriations must be passed by ordinance
- Any increase in appropriations requires Council action
- Transfers between funds require Council approval
- Large purchases may require Council approval depending on local policy

B. Entering contracts

Council approval is needed for:

•Contracts over the bid threshold (Section 9.17 Competitive bidding threshold amount; Ohio Revised Code/General Provisions/Chapter 9 Miscellaneous; annual updates are available at: https://com.ohio.gov/divisions-and-programs/industrial-compliance/competitive-bidding-threshold/competitive-bidding-threshold)

•Multi-year contracts

•Union agreements

•Loans, leases, or financing agreements

C. Policy decisions

•Budget adoption

•Permanent appropriations

•Hiring/firing if required by ordinance

•Fee schedules

•Utility rate changes

D. When in doubt

If it affects:
- Spending
- Policy
- Contracts
- Fund balances

…**Council approval is usually required**.

How Do I Prepare for My State Audit?

Your state audit - the Auditor of State checks **compliance, accuracy, and internal controls**.

A. Before the audit

- Prepare:
- Bank reconciliations for all months
- All financial statements
- Appropriation ordinances
- Purchase orders & invoices
- Payroll records
- Council minutes
- Contracts
- Grant documentation
- Utility billing reports
- Cash handling procedures



B. During the audit
Expect:
•Questions about unusual transactions
• Significant variances in revenue lines and expenditure lines from year to year
•Requests for supporting documents
•Testing of internal controls
•Review of compliance with ORC

C. Best practice
Create an **Audit Binder** with:
•Fund summaries
•Reconciliations
•Ordinances
•Policies
•Contracts
•Checklists

Auditors love organized fiscal officers.

How Do I Complete My Annual Hinkle Report?

The **Hinkle System** is Ohio's online filing portal for your Annual Financial Report.

Steps to complete it:

- Log into the Hinkle System
- Upload your financial statements (from UAN or your accounting system)
- Complete the required notes to the financial statements
- Complete the questionnaire
- Validate the report
- Submit before the deadline (usually March 1 for most villages)

Tips

- Use last year's report as a template
- Follow the Auditor of State's checklist
- Make sure your fund balances match your year-end reconciliation
- Don't wait until the last week

Where Can I Go for Help?

A. Ohio Auditor of State (AOS)

- Local Government Services (LGS)
- Training webinars
- Sample policies
- Hinkle System guides



B. Ohio Association of Public Treasurers (OAPT)

- Training
- Conferences
- Networking with other fiscal officers

C. Ohio Municipal League (OML)
•Legislative updates
•Training for new officials

D. Your County Auditor & County Treasurer
•Property tax questions
•Settlement schedules

E. Other Fiscal Officers
This is the most underrated resource. Most fiscal officers are incredibly helpful and willing to share templates, checklists, and advice.

F. Your Village Solicitor

For:

- Contracts
- Ordinances
- Legal compliance

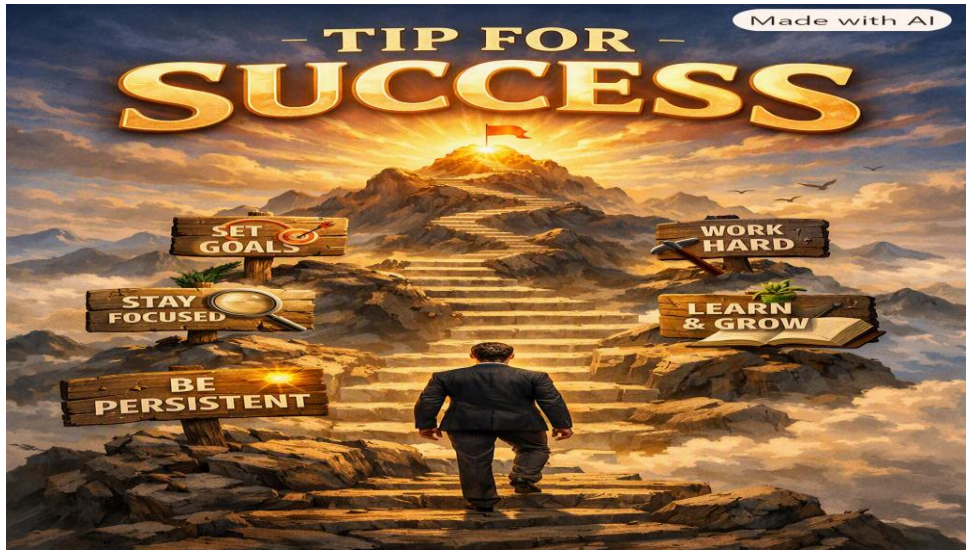
G. Your Accounting System Support (UAN or vendor)

They can walk you through:

- Posting
- Reconciliations
- Reports
- Year-end procedures

Final Tips for Success

- Stay organized
- Document everything
- Communicate early and often
- Ask questions—never guess
- Build relationships with other Fiscal Officers/Finance Directors
- Keep learning (laws change often)



Reference Material

- State of Ohio Auditor - State Bulletins
- Monthly Due dates checklist



Thank You

- **You’ve Got This.**

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